

June 30, 2016

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: WC Docket No. 14-58, Annual §54.313 Report of High-Cost Recipient

Dear Ms. Dortch:

Enclosed herein is the annual report for Triangle Telephone Cooperative Association, Inc., Study Area Code 482257 pursuant to §54.313 of the Commission's rules. Triangle Telephone Cooperative Association, Inc. is a state-designated ETC.

Should you have any questions, please contact me via e-mail at grainey@itstriangle.net or by phone at (406)394-7807.

Sincerely,



Gail Rainey
CAO

Enclosure

Cc: Montana Public Service Commission
Fort Belknap Tribal Council
Chippewa Cree Tribal Business Committee
Turtle Mountain Band of Chippewa

FCC Form 481 - Carrier Annual Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010> Study Area Code	482257	
<015> Study Area Name	TRIANGLE TEL COOP	
<020> Program Year	2017	
<030> Contact Name: Person USAC should contact with questions about this data	Gail Rainey	
<035> Contact Telephone Number: Number of the person identified in data line <030>	4063947807 ext.855	
<039> Contact Email Address: Email of the person identified in data line <030>	grainey@itstriangle.net	
Form Type	54.313 and 54.422	

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	482257
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<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext.855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

<110> Has your company received its ETC certification from the FCC? (yes / no) ☐ ☒

If your answer to Line <110> is yes, do you have an existing §54.202(a) "5

<111> year plan" filed with the FCC? (yes / no) ☐ ☐

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

482257mt112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113> Maps detailing progress towards meeting plan targets
 <114> Report how much universal service (USF) support was received
 <115> How much (USF) was used to improve service quality and how support was used to improve service quality
 <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
 <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
 <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Yes

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<210> For the prior calendar year, were there any reportable voice service outages?

No

[illegible]

**(300) Unfulfilled Service Request
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	482257
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<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Gail Rainey
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext.855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

<300> Unfulfilled service request (voice)

7

482257mt310.pdf

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

22

482257mt330.pdf

<330> Detail on attempts (broadband)

Name of Attached Document

(400) Number of Complaints per 1,000 customers
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	482257
<015>	Study Area Name	TRIANGLE TEL COOP
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Gail Salney
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947x07 ext. 855
<039>	Contact Email Address - Email Address of person identified in data line <030>	gsalney@tctriangle.net
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

**(500) Compliance With Service Quality Standards and Consumer Protection Rules
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	482257
<015>	Study Area Name	TRIANGLE TEL COOP
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Gail Rutney
<035>	Contact Telephone Number - Number of person identified in data line <030>	406344707 ext. 855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grutney@tetrangle.net
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	482257mt510.pdf

**(600) Functionality in Emergency Situations
Data Collection Form**

FCC Form 481

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July 2013

<010>	Study Area Code	482257
<015>	Study Area Name	TRIANGLE TEL COOP
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Gail Rainey
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext.855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@tsttriangle.net
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	482257mt.610.pdf

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<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net
<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

[illegible]

[illegible]

(800) Operating Companies
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<030>	Contact Name - Person USAC should contact regarding this data	Gail Rainey
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext.855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net
<810>	Reporting Carrier	Triangle Telephone Cooperative Assn., Inc.
<811>	Holding Company	Name Not Available
<812>	Operating Company	n/a

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481

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July 2013

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<030>	Contact Name - Person USAC should contact regarding this data	Gail Rainey
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext.855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net
<900>	Does the filing entity offer tribal land services? (Y/N)	Yes

<910> Tribal Land(s) on which ETC Serves

Rocky Boy's Indian Reservation
Fort Belknap Indian Reservation
Turtle Mountain Band of Chippewa Reservation


<920> Tribal Government Engagement Obligation

482257mt920.pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable
Yes

Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes

**(1000) Voice and Broadband Service Rate Comparability
Data Collection Form**

FCC Form 481

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July 2013

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<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext.855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance 482257mt1010.pdf

Name of Attached Document

<1020> Broadband comparability certification Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance 482257mt1030.pdf

Name of Attached Document

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext.855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

<1100> Certify whether terrestrial backhaul options exist (Y/N)

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

482257mtl210.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,



<1222> Details on the number of minutes provided as part of the plan,



<1223> Additional charges for toll calls, and rates for each such plan.



(3005) Rate Of Return Carrier Additional Documentation
Data Collection FormFCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	
(3010A)	Milestone Certification {47 CFR § 54.313(f)(1)(i)}	Yes - Attach Certification
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	No - No New Community Anchors
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	(Yes/No) <input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No) <input checked="" type="radio"/> <input type="radio"/>
	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:	
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)	<input checked="" type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows	<input checked="" type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No) <input type="radio"/> <input type="radio"/>
	If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:	
(3019)	Either a copy of their audited financial statement; or	<input type="checkbox"/>
	(2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.	<input type="checkbox"/>
	If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:	
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers	<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant	<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.	<input type="checkbox"/>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information

(3005) Rate Of Return Carrier Additional Documentation (Continued)**Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<039> Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

Financial Data Summary

(3027) Revenue

30717298

(3028) Operating Expenses

20308948

(3029) Net Income

13812755

(3030) Telephone Plant In Service(TPIS)

186835549

(3031) Total Assets

196909666

(3032) Total Debt

41315740

(3033) Total Equity

151305943

(3034) Dividends

0

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: TRIANGLE TEL COOP	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/28/2016
Printed name of Authorized Officer: Craig Gates	
Title or position of Authorized Officer: CEO	
Telephone number of Authorized Officer: 4063942852 ext.	
Study Area Code of Reporting Carrier: 482257	Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

Annual Reporting for High-Cost Recipients
47 C.F.R. §54.313
Triangle Telephone Cooperative Assn. Inc.

Five-Year Service Quality Improvement Plan – §54.313 (a)(1)

Pursuant to 47 C.F.R. 54.202(a)(1)(ii), Triangle Telephone Cooperative Assn. Inc. (Triangle) hereby submits an update to its five-year plan that describes improvements or upgrades to its network throughout its service area in 2015. Triangle also provides estimates regarding the area and population that are being served as a result of the improvements.

Triangle has twenty-six (26) wire centers identified as follows: JPLNMTXCRS1 in Joplin, MT, RDPNMTXCRS1 in Reed Point, MT, BXELMTXCRS1 in Box Elder, MT, RDYRMTXCRS1 in Rudyard, MT, CHNKMTXCDS0 in Chinook, MT, KRMLMTXCRS1 in Kremlin, MT, GLFRMTXCRS1 in Gildford, MT, BGSNMTXCRS1 in Big Sandy, MT, TRNRMTXCRS1 in Turner, MT, HPILMTXCRS1 in Hopp-Illiad, MT, SMHRMTXCRS1 in Simpson, MT, SHVRMTXCRS1 in South Havre, MT, HNHMMTXCRS1 in Hingham, MT, NHVRMTXCRS1 in North Havre, MT, SCHSMTXCRS1 in South Chester, MT, WINFMTXCDS0 in Winifred, MT, MEVLMTXCRS1 in Melville, MT, SMLTMTXCRS1 in South Malta, MT, RPLJMTXCRS1 in Rapelje, MT, BRVWMTXCRS1 in Broadview, MT, MOLTMTXCRS1 in Molt, MT, HAYSMTXCRS1 in Zortman, MT, WHWRMTXCRS1 in Whitewater, MT, LOMAMTXCRS1 in Loma, MT, CHESMTXCRS1 in Chester, MT, and BGTMMTXCDS0 in Big Timber, MT.

Of these wire centers, BGSNMTXCRS1 in Big Sandy, MT, NHVRMTXCRS1 in North Havre, MT, HPILMTXCRS1 in Hopp-Illiad, MT, CHNKMTXCDS0 in Chinook, MT, SHVRMTXCRS1 in South Havre, MT, GLFRMTXCRS1 in Gildford, MT, JPLNMTXCRS1 in Joplin, MT and CHESMTXCRS1 in Chester, MT have already been upgraded to FTTH. All eight (8) wire centers are capable of delivering gigabit active Ethernet services. Subscribers served by these facilities have access that meets and exceeds the 10/1 Mbps standard. No capital improvements are required for those subscribers to meet the 25/3 Mbps standard other than maintenance of facilities. Approximately \$66.2 million has been spent constructing these FTTH upgrades.

The wire center of WINFMTXCDS0 in Winifred, MT is in the process of being cutover to FTTH and will be capable of providing the same high-quality gigabit active Ethernet service offerings. The estimated cost of this upgrade is \$9.1 million.

The wire centers of KRMLMTXCRS1 in Kremlin, MT and LOMAMTXCRS1 in Loma, MT are in the construction phases of FTTH and consist of replacing approximately 253 miles of copper cable plant with fiber. The estimated cost of these upgrades is \$9.9 million.

The wire centers of SCHSMTXCRS1 in South Chester, MT, BGTMMTXCDS0 in Big Timber, MT, RDPNMTXCRS1 in Reed Point, MT, and MOLTMTXCRS1 in Molt, MT have already been upgraded to 18Kft customer service areas (CSA's) which cost Triangle an estimated \$12.8 million to complete. Steps taken in 2015 to prepare for offering faster broadband speeds include the installation of 23 miles of fiber to feed DLC locations in the South Chester and Reed Point exchanges.

The remaining thirteen (13) wire centers BXELMTXCRS1 in Box Elder, MT, RDYRMTXCRS1 in Rudyard, MT, KRMLMTXCRS1 in Kremlin, MT, TRNRMTXCRS1 in Turner, MT, SMHRMTXCRS1 in Simpson, MT, HNHMMTXCRS1 in Hingham, MT, MEVLMTXCRS1 in Melville, MT, SMLTMTXCRS1 in South Malta, MT,

Annual Reporting for High-Cost Recipients
47 C.F.R. §54.313
Triangle Telephone Cooperative Assn. Inc.

RPLJMTXCRS1 in Rapelje, MT, BRVWMTXCRS1 in Broadview, MT, HAYSMTXCRS1 in Zortman, MT, WHWRMTXCRS1 in Whitewater, MT, and LOMAMTXCRS1 in Loma, MT have had varying degrees of upgrades performed to them to enhance their voice and broadband capabilities. Very low subscriber density counts and service requests have been the major reasons for redirecting upgrade dollars to the wire center upgrades mentioned above.

Triangle is continually updating and growing its data network with (19) Cisco ASR9K routers presently deployed. The latest ASR9K's added to the network were in the Reed Point, Loma, Gildford and Whitewater Exchanges in 2015. An estimated \$2.62 million has been invested in this data network to date. This investment has allowed Triangle to create two network diverse Internet Service Provider (ISP) POP's which creates a more resilient network during an accidental fiber cut.

All of the above mentioned upgrades have utilized USF support, combined with RUS funding, to provide reliable, state-of-the-art, high-quality voice and broadband services to the rural customers that Triangle serves. Triangle received \$13,744,317 in USF support in 2015 that was used to improve service quality, service coverage and service capacity.

Following is a summary of the network improvements and/or upgrades Triangle planned to complete in 2015 and their status including approximate total capital investment. All network improvement targets were met for 2015. In addition to the projects completed in 2015, Triangle spent an additional \$12,840,000 in 2015 on the following projects which will be completed in 2016 -2018:

Gildford FTTH	\$2,000,000
Winifred FTTH	9,140,000
Kremlin, Loma, Hingham, Broadview and Rudyard FTTH	1,700,000

Annual Reporting for High-Cost Recipients
47 C.F.R. §54.313
Triangle Telephone Cooperative Assn. Inc.

2015 Network Improvements/Upgrades VOICE				
Project Description	Estimated Start Date	Estimated Completion Date	Area Served	Population Served/Est. Cost
Replace Dslam with DLC carrier equipment in the Hingham Exchange.	August 2014	December 2015	Completed Hingham Exchange	65/65K
Fiber to the Home - Replace 56 miles of copper with fiber for residential and business customers in the South half of the Rudyard Exchange. (this portion moved up from 2018 const. year)	June 2014	October 2015	Completed Rudyard Exchange	30/1.4M
Install 2 new DLC cabinets, retrofit 4 DLC cabinets and perform a Dslam replacement in our Hays Exchange.	July 2013	December 2015	Completed Hays Exchange	130/253k
Replace Dslam with DLC carrier equipment in the Exchange of Loma.	August 2013	March 2015	Completed Loma Exchange	45/30k
Fiber to the Home - Replace 162 miles of copper with fiber for residential and business customers in the Chester Exchange.	June 2012	December 2015	Const. Complete, Cutover taking place in 2016 Chester Exchange	620/3.3M
Fiber to the Home - Replace 352 miles of copper with fiber for residential and business customers in the Joplin Exchange.	June 2012	December 2015	Completed Joplin Exchange	260/6.3M
Load test the battery plants at all 26 wire centers and 195 DLC locations for capacity and physical deterioration. Replace batteries as needed.	January 2015	December 2015	Completed All TTC Exchanges	9,206

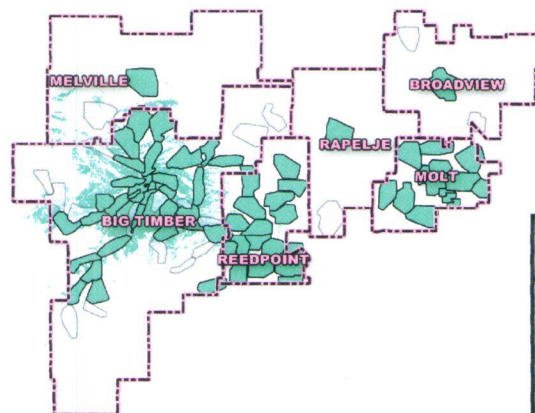
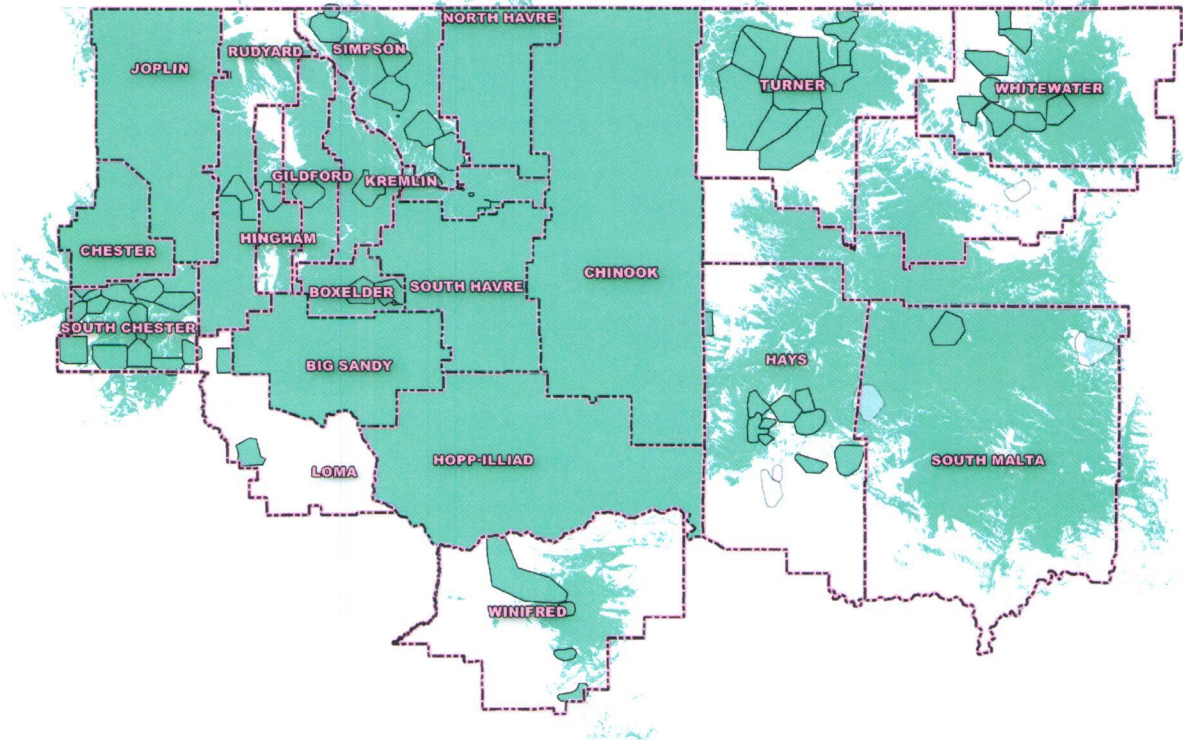
Annual Reporting for High-Cost Recipients
47 C.F.R. §54.313
Triangle Telephone Cooperative Assn. Inc.

2015 Network Improvements/Upgrades BROADBAND				
Project Description	Estimated Start Date	Estimated Completion Date	Area Served	Population Served
Replace Dslam with DLC carrier equipment in the Hingham Exchange.	August 2014	December 2015	Completed Hingham Exchange	65/65k
Fiber to the Home - Replace 56 miles of copper with fiber for residential and business customers in the South half of the Rudyard Exchange. (this portion moved up from 2018 const. year)	June 2014	October 2015	Completed Rudyard Exchange	30/1.4M
Install 2 new DLC cabinets, retrofit 4 DLC cabinets and perform a Dslam replacement in our Hays Exchange.	July 2013	December 2015	Completed Hays Exchange	130/253k
Replace Dslam with DLC carrier equipment in the Exchange of Loma.	August 2013	March 2015	Completed Loma Exchange	45/30k
Fiber to the Home - Replace 162 miles of copper with fiber for residential and business customers in the Chester Exchange.	June 2012	December 2015	Const. Complete, Cutover taking place in 2016 Chester Exchange	620/3.3M
Fiber to the Home - Replace 352 miles of copper with fiber for residential and business customers in the Joplin Exchange.	June 2012	December 2015	Completed Joplin Exchange	260/6.3M
Upgrade existing access platform from ATM over TDM to Ethernet to provide faster broadband speeds to the residents of the Whitewater Exchange.	June 2014	June 2015	Completed Whitewater Exchange	153/20k
Install equipment to provide fixed wireless broadband service.	January 2013	December 2015	Completed Loma, Box Elder, Chinook, South Malta and Hays Exchanges	1,098/580k

Annual Reporting for High-Cost Recipients
47 C.F.R. §54.313
Triangle Telephone Cooperative Assn. Inc.

Upgrade existing access platform from ATM over TDM to Ethernet to provide faster broadband speeds to the residents of our Reed Point Exchange.	June 2014	June 2015	Completed Reed Point Exchange	217/100k
Load test the battery plants at all 26 wire centers and 195 DLC locations for capacity and physical deterioration. Replace batteries as needed.	January 2015	December 2015	Completed All TTC Exchanges	9,206

Triangle Telephone Cooperative Assoc., Inc.



2015

5 YEAR PLAN UPDATE

EXCHANGE SPEED

- < 10/1Mbps
- ≥ 10/1Mbps

CUSTOMER SERVING AREA SPEED

- < 10/1 Mbps
- ≥ 10/1 Mbps

Triangle Telephone Cooperative Assn., Inc.
Annual 54.313 Report of High-Cost Recipient

Unfulfilled Service Requests - Voice

Triangle had seven unfulfilled new service requests during 2016 all of which required construction to the subscriber premise. On three of these requests, we received easements to complete construction after the ground had frozen and the construction season was over. Construction of these projects was completed in the spring of 2016.

In 2016, we have secured easements on three of the unfulfilled requests and we will be completing construction in spring of 2016.

The remaining unfilled request was cancelled at the customer's request in the spring of 2016. them.

**Triangle Telephone Cooperative Assn., Inc.
Annual 54.313 Report of High-Cost Recipient**

Unfulfilled Service Requests - Broadband

Triangle Telephone Cooperative Assn., Inc. (Triangle) had twenty-two unfulfilled new broadband service request during 2015.

When requests for new service are received, they are reviewed by our engineering staff to determine if it is feasible to upgrade electronics at the digital loop carrier serving that location and if there are adequate cable facilities to carry the additional traffic. The costs to upgrade the necessary facilities are estimated as well as reviewing how many other requests we have received in the same serving area. Based on this information, Triangle determines whether the request is reasonable. We also review whether fixed wireless is an alternative solution to ADSL.

Following is a summary of the unfulfilled service requests for broadband at the end of 2015. We have also included Triangle's determination of whether it is a reasonable request and solution that will be implemented where applicable.

Rapelje & Broadview 17 – Triangle planned to construct a tower and offer fixed wireless broadband in the Rapelje exchange that would serve these locations in 2016. However, after turning up the equipment in 2016, we are only able to reach one of the customers with this site. Triangle considers the remaining requests unreasonable due to distance limitations and cost of construction.

Winifred 4 – This exchange is scheduled to be cutover to fiber in 2016.

Big Timber 1 - Triangle considers this request unreasonable due to distance limitations and cost of construction.

Triangle Telephone Cooperative Assn., Inc.
Annual 54.313 Report of High-Cost Recipient

Satisfaction of Service Quality Standards and Consumer Protection Rules - Voice

Service Quality Standards

Triangle Telephone Cooperative Assn., Inc. (Triangle) is required to meet the service standards of the State of Montana as promulgated in the Montana Administrative Rules 38.5.3301-3371, Telecommunications Service Standards. New employees are trained on the internal processes designed to meet those standards as required by their job functions. Management reviews procedures on a regular basis to ensure that we remain in compliance with the standards.

Consumer Protection

Triangle complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is reviewed annually. Triangle uses outside consultants to ensure that the manuals and processes remain current and in compliance with the rules. Employee training is conducted on an as needed basis and new hires are instructed on the programs as required by their job functions. Management reports to the Triangle Board annually any activities during the prior year related to these rules.

Triangle Telephone Cooperative Assn., Inc.
Annual 54.313 Report of High-Cost Recipient

Satisfaction of Service Quality Standards and Consumer Protection Rules - Broadband

Service Quality Standards

Triangle Telephone Cooperative Assn., Inc. (Triangle) follows the service standards of the State of Montana as promulgated in the Montana Administrative Rules 38.5.3301-3371, Telecommunications Service Standards, for its broadband practices where the rules are applicable. New employees are trained on the internal processes designed to meet those standards as required by their job functions. Management reviews procedures on a regular basis to ensure that we remain in compliance with the standards.

Consumer Protection

Triangle complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is reviewed annually. Triangle uses outside consultants to ensure that the manuals and processes remain current and in compliance with the rules. Employee training is conducted on an as needed basis and new hires are instructed on the programs as required by their job functions. Management reports to the Triangle Board annually any activities during the prior year related to these rules.

In addition, Triangle complies with the requirements of 47 CFR Part 8, Preserving the Open Internet, by disclosing its network management practices, performance characteristics, and terms and conditions of broadband service offerings.

Triangle Telephone Cooperative Assn., Inc.
Annual 54.313 Report of High-Cost Recipient

Ability to Remain Functional in Emergency Situations - Voice

Back-up Power

Triangle Telephone Cooperative Assn., Inc. (Triangle) has generator and battery backup at each of its host switch locations. In addition, each remote switch location has either a generator or battery backup or both. One hundred percent of Triangle's digital loop carriers have either battery or generator backup.

Approximately 65% of Triangle's subscribers are served with copper connections to the Central Office and their NIDs are powered from the central office. The remaining subscribers have fiber optic connections to the central office. These customers' NIDs are battery powered in case of emergency. The batteries are rated to last 48 hours with no use and 8 hours with constant use.

Ability to reroute traffic around damaged facilities

Triangle has built redundant facilities between its exchanges in the form of a SONET ring using the physical facilities of Triangle Telephone Cooperative Assn., Inc. and Central Montana Communications, Inc., on the following routes:

Havre to Fort Benton to Chester to Havre
Havre to Chinook
Harlem to Dodson to Malta
Big Sandy to Winifred to Moore to Fort Benton
Winifred to Billings to Big Timber to Moore

Capability to manage traffic spikes resulting from emergency situations

At its Havre tandem, Triangle serves 11,319 access lines, has switching capacity of 8,064 simultaneous calls, and transport capacity for 1,085 simultaneous calls.

At its Big Timber tandem, Triangle serves 4,436 access lines, has switching capacity of 3,456 simultaneous calls, and transport capacity for 726 simultaneous calls.

Triangle takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

Triangle Telephone Cooperative Assn., Inc.
Annual 54.313 Report of High-Cost Recipient

Ability to Remain Functional in Emergency Situations – Broadband

Back-up Power

Triangle Telephone Cooperative Assn., Inc. (Triangle) has generator and battery backup at each of its router locations. One hundred percent of Triangle's digital loop carriers have either battery or generator backup.

Approximately 65% of Triangle's subscribers are served with copper connections to the Central Office and their NIDs are powered from the central office. The remaining subscribers have fiber optic connections to the central office. These customers' NIDs are battery powered in case of emergency. The batteries are rated to last 48 hours with no use and 8 hours with constant use.

Ability to reroute traffic around damaged facilities

Triangle has built redundant facilities between its exchanges in the form of a ring using the physical facilities of Triangle Telephone Cooperative Assn., Inc. and Central Montana Communications, Inc., on the following routes:

- Havre to Fort Benton to Chester to Havre
- Havre to Chinook
- Harlem to Dodson to Malta
- Big Sandy to Winifred to Moore to Fort Benton
- Winifred to Billings to Big Timber to Moore

Triangle has two connections to the statewide network provider, Vision Net, which is used to access Tier I Internet carriers. In turn, Vision Net has redundant routes to the Tier I carriers.

Capability to manage traffic spikes resulting from emergency situations

Triangle has two 10 Gigabit DIA (Dedicated Internet Access Connection) links to Vision Net, one in Havre and one in Billings. This Internet service is distributed throughout our 10 Gigabit MPLS core network. This equates to about 18% of capacity on average and 40% at peak times.

Triangle takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code 482257
<015> Study Area Name TRIANGLE TEL COOP
<020> Program Year 2017
<030> Contact Name - Person USAC should contact regarding this data Gail Rainey
<035> Contact Telephone Number - Number of person identified in data line <030> 4063947807 ext.855
<039> Contact Email Address - Email Address of person identified in data line <030> grainey@itstriangle.net

<701> Residential Local Service Charge Effective Date
<702> Single State-wide Residential Local Service Charge

1/1/2016

<703>

<a1>	<a2>	<a3>	<b1>	<b2>	<b3>	<b4>	<b5>	<c>
State	Exchange (ILEC)	SAC (CETC)	Rate Type	Residential Local Service Rate	State Subscriber Line Charge	State Universal Service Fee	Mandatory Extended Area Service Charge	Total per line Rates and Fees
MT	Joplin		FR	16.0	0.0	0.0	5.5	21.5
MT	Reed Point		FR	16.0	0.0	0.0	5.5	21.5
MT	Box Elder		FR	16.0	0.0	0.0	5.5	21.5
MT	Rudyard		FR	16.0	0.0	0.0	5.5	21.5
MT	Chinook		FR	16.0	0.0	0.0	5.5	21.5
MT	Kremlin		FR	16.0	0.0	0.0	5.5	21.5
MT	Gildford		FR	16.0	0.0	0.0	5.5	21.5
MT	Big Sandy		FR	16.0	0.0	0.0	5.5	21.5
MT	Turner		FR	16.0	0.0	0.0	5.5	21.5
MT	Hopp-Illiad		FR	16.0	0.0	0.0	5.5	21.5
MT	Simpson		FR	16.0	0.0	0.0	5.5	21.5
MT	South Havre		FR	16.0	0.0	0.0	5.5	21.5
MT	Hingham		FR	16.0	0.0	0.0	5.5	21.5
MT	North Havre		FR	16.0	0.0	0.0	5.5	21.5
MT	South Chester		FR	16.0	0.0	0.0	5.5	21.5
MT	Winifred		FR	16.0	0.0	0.0	5.5	21.5
MT	Melville		FR	16.0	0.0	0.0	0.0	16.0
MT	South Malta		FR	16.0	0.0	0.0	5.5	21.5
MT	Rapelje		FR	16.0	0.0	0.0	5.5	21.5
MT	Broadview		FR	16.0	0.0	0.0	5.5	21.5
MT	Molt		FR	16.0	0.0	0.0	5.5	21.5

(700) Price Offerings including Voice Rate Data Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	482257
<015>	Study Area Name	TRIANGLE TEL COOP
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Gail Rainey
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext.855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

<703>

[illegible]

(710) Broadband Price Offerings
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	482257
<015>	Study Area Name	TRIANGLE TEL. COOP
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Gail Rainey
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext.855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@itstriangle.net

[illegible]

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	482257
<015>	Study Area Name	TRIANGLE TEL COOP
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Gail Rainey
<035>	Contact Telephone Number - Number of person identified in data line <030>	4063947807 ext.855
<039>	Contact Email Address - Email Address of person identified in data line <030>	grainey@ttriangle.net
<810>	Reporting Carrier	Triangle Telephone Cooperative Assn., Inc.
<811>	Holding Company	Name Not Available
<812>	Operating Company	n/a

[illegible]

Triangle Telephone Cooperative Assn., Inc.
Annual 54.313 Report of High-Cost Recipient

Compliance with Tribal Government Engagement

Rocky Boy's Indian Reservation

Triangle Telephone Cooperative Assn., Inc. initially contacted the Chippewa Cree Business Committee on September 5, 2012 via a letter addressed to the Committee Chairman. This letter outlined the guidelines adopted by the FCC to ensure meaningful engagement between ETC's and Tribal entities. Representatives of both organizations met several times during 2012 and 2013 and again briefly in February 2014.

Triangle has attempted to remain in contact with representatives of the Business Committee and maintain a meaningful dialogue in regard to the guidelines. Attached is a copy of the most recent attempt dated March 12, 2015. Triangle did not receive a response to this request in 2015.

A copy of the Chippewa Cree Tribe business license is attached.

Fort Belknap Indian Reservation

Triangle sent the attached letter on May 15, 2015 requesting a meeting with the Fort Belknap Tribal Council. Representatives of Triangle attended the Fort Belknap Tribal Council meeting on June 12, 2015. This meeting focused on the completion of the fiber to the home project on the northern portion of the Fort Belknap Indian Reservation. We discussed the process of obtaining easements and cultural preservation reviews for the project and ways to improve these processes going forward. We also discussed Triangle's fixed wireless broadband service in the southern half of the Reservation and easements needed to bring fiber to those tower locations. Other items discussed include:

- Deployment planning with a focus on Tribal community anchor institutions;
- Feasibility and sustainability planning;
- Marketing services in a culturally sensitive manner;
- Rights of way processes, land use permitting, facilities siting, environmental and cultural preservation review processes; and
- Compliance with Tribal business and licensing requirements.

A copy of the Fort Belknap Indian Community business license is attached.

Turtle Mountain Band of Chippewa Reservation

The Turtle Mountain Tribal Chairman has not responded to Triangle's requests to have meaningful engagement and discussion of the Tribe's plans for the uninhabited lands within Triangle's service area.



2121 US HWY 2 NW ▶ PO Box 1140 ▶ Havre MT 59501

1.800.332.1201 ▶ www.itsTriangle.com

Via U.S. Mail, Return Receipt Requested

March 12, 2015

Rick Morsette, Vice Chairman
Chippewa Cree Business Committee
RR 1 Box 544
Box Elder, Montana 59521

Dear Rick Morsette:

In 2011, the Federal Communications Commission (FCC) issued guidelines requiring Triangle Telephone Cooperative Association, Inc. (Triangle) as an Eligible Telecommunications Carrier (ETC) to discuss annually with Tribal government officials a number of issues in connection with the provision of service on Tribal lands. On July 19, 2012, the FCC released guidance outlining various actions that should be taken by the company and the Tribe to facilitate the discussion. The primary discussion items include:

- Needs assessment and deployment planning focused to anchor institutions;
- Feasibility and sustainability planning;
- Marketing in a culturally sensitive manner;
- Rights of way, permitting, facilities siting, environmental and cultural preservation processes;
- Compliance with tribal entity licensing requirements.

Since our last meeting with the Business Committee, Triangle has completed the fiber to the home project on the Rocky Boy's Reservation. All anchor institutions, businesses and residential locations have been cutover to the fiber. This project will allow Triangle to sustain services on the Reservation long term as well as offer better broadband speeds at NO additional cost to your tribal members.

Triangle representatives would like to meet with you to discuss plans the Business Committee has for growth on the Reservation to ensure that the ongoing communication needs of the Tribe are met. In addition, we would like information on any changes in the rights of way, permitting, facilities siting, environmental and cultural preservation processes and suggestions on how to market our services in a culturally sensitive manner.

Please contact my Executive Assistant, Teresa Terry at 406-394-7807 to schedule a meeting. Your help in continuing a dialogue is appreciated. We look forward to further discussing these important issues with you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Richard Stevens', with a stylized flourish at the end.

Richard Stevens
General Manager/CEO

Cc: Gail Rainey, Assistant General Manager
Robert Pleninger, Engineering & Ops Mgr.

THIS LICENSE MUST BE POSTED IN PUBLIC VIEW

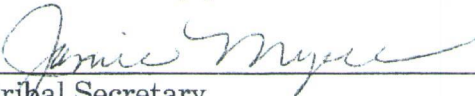
**Chippewa Cree Tribe
Rocky Boy's Reservation • Box Elder, Montana**

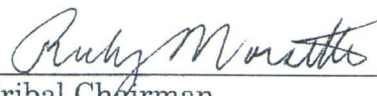
LICENSE TO CONDUCT BUSINESS

To: Triangle Telephone Cooperative
Name of Business

Pursuant to Tribal Ordinance #2-91 "Adopting A Business License Code" and Resolution #92-91 "Establishing a Business License Fee" through the Chippewa Cree Tribal Constitutional powers vested in the business committee, the business committee hereby grants the above named business "A License" to conduct business within the exterior boundaries of the reservation for a period of January 1, 20 15 to December 31, 20 15, which at this time is subject to be renewed.

Failure to comply with Ordinance #2-91 and Resolution #92-91 can or will result in court action.


Tribal Secretary


Tribal Chairman

Date January 1, 2015

SEAL



2121 US HWY 2 NW • PO Box 1140 • Havre MT 59501

1.800.332.1201 • www.itsTriangle.com

May 15th, 2015

Dear Valued Triangle Customer,

Triangle Communications (Triangle) is working towards the completion of the Fiber to the Home (FTTH) upgrade in the Fort Belknap Area.

Our installers are getting close to completing the entire 353 exchange. Once the cutover is complete the old copper phone lines will be abandoned, and for those subscribers not cutover to the new Fiber Optic Cable, their service will be disrupted. We are looking at starting the removal of copper cable facility on July 1st, 2015. After July 1st, any locations that have not been cutover onto the new fiber facilities (VLAN services included) will lose their service as we start removing the copper cable facilities.

On July 1st, 2015, the billing for all copper cable pair rentals for the Tribe will stop and billing for the new VLAN charges will start, per our proposal to Donald Long Knife and the Tribal Council.

If there are tasks that need to be completed on your end before services can be transferred, please let us know. We'd be happy to provide guidance and offer hourly rate services to facilitate the transition. You can contact our office with your requests at 1-800-332-1201 and ask for Jack Maloughney or Robert Pleninger.

We would like to thank you for your patience and cooperation during this important upgrade as we work towards a bright future together. Triangle would like to request a meeting with the Council prior to July 1st if at all possible to discuss plans the Business Committee has for growth on the Reservation to ensure that the ongoing communication needs of the Tribe are met. In addition if there will be any changes in the rights of way, permitting, facilities siting, environmental and cultural preservation processes as well as suggestions on how to market our services in a culturally sensitive manner would be helpful for our future planning. Please notify us of a date and time that is accommodating to your schedule. At that meeting we will also be pleased to answer any remaining questions that you may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rick Stevens', with a stylized flourish at the end.

Rick Stevens – General Manager of
The Triangle Communications Team

In accordance with the Fort Belknap
Tribal Employment Rights Office,
an '*Employer Right-To-Do Business*'
is hereby issued to

***TRIANGLE TELEPHONE COOPERATIVE ASSN., INC. /
CENTRAL MONTANA COMMUNICATIONS***

and is a Corporation located at
2121 Highway 2 NW, P.O. Box 1220
Havre, MT 59501


Fort Belknap TERO Director

1-02-15
Date:

Triangle Telephone Cooperative Assn., Inc.
Annual 54.313 Report of High-Cost Recipient

Voice Services Comparability Report

Pursuant to 47 C.F.R. § 54.313 (a) (10) Triangle Telephone Cooperative Assn., Inc. ("Triangle") is in compliance with the requirement that voice services is no more than two standard deviations above the national average urban rate for voice service of \$41.07 as specified in Public Notice DA 16-362 issued on April 5th, 2016. Triangle's current total local end-user rate¹ of \$21.50 (which includes a local fee of \$16.00 and mandatory extended area service charges of \$5.50) is not above the standard deviation as specified in the USF/ICC Transformation Order.²

¹ Local End User Rate as defined in USF/ICC Transformation Order 26 FCC Rcd at 17751, Para. 238

² USF/ICC Transformation Order, 26 FCC Rcd at 17694, Para. 84 (footnote included) "The standard deviation is a measure of dispersion. The sample standard deviation is the square root of the sample variance. The sample variance is calculated as the sum of the squared deviations of the individual observations in the sample of data from the sample average divided by the total number of observations in the sample minus one. In a normal distribution, about 68 percent of the observations lie within one standard deviation above and below the average and about 95 percent of the observations lie within two standard deviations above and below the average."

Triangle Telephone Cooperative Assn., Inc.
Annual 54.313 Report of High-Cost Recipient

Broadband Comparability Report

Pursuant to 47 C.F.R. § 54.313 (a) (11) Triangle Telephone Cooperative Assn., Inc. (Triangle) charges a residential rate of \$59 for broadband providing 12 Mbps download, 3 Mbps upload, and an unlimited usage allowance. This rate is lower than \$75.20, which is the 2016 reasonable comparability benchmark for the 10 Mbps download, 1 Mbps upload established by the Wireline Competition Bureau.¹

¹ *Wireline Competition Bureau Announces Results of 2016 Urban Rate Survey for Fixed Voice and Broadband Services and Posting of Survey Data and Explanatory Notes*, Public Notice, WC Docket No. 10-90, DA 16-362 (rel. April 6, 2016).

Triangle Telephone Cooperative Assn., Inc.
Annual 54.313 Report of High-Cost Recipient

Lifeline Terms and Conditions

Triangle Telephone Cooperative Assn., Inc. (Triangle) offers Lifeline discounts on its residential phone service to qualifying subscribers. Residential telephone service costs \$16 per month and includes unlimited local minutes. If the subscriber resides in an EAS area, there is an additional charge of \$5.50 per month for unlimited minutes calls made to locations within the EAS area.¹

Lifeline eligible subscribers may apply their Lifeline discount to bundles of service which include a voice component. Where a Lifeline subscriber makes only a partial payment for a bundled service package, Triangle applies the partial payment first to the allocated price of the voice telephony service component of the bundle and then to the cost of any additional services included in the bundled package.

Toll charges are assessed by the long distance provider selected by the subscriber. Triangle provides toll blocking service to Lifeline eligible subscribers at no charge. Lifeline eligible subscribers that choose toll blocking service are not required to pay a deposit for their service.

¹ The subscriber has the option of a flat rate EAS charge of \$3 per month combined with a \$0.05 per minute of use charge capped at \$7.50 per month.

Triangle Telephone Cooperative Assn., Inc.
Annual 54.313 Report of High-Cost Recipient

Milestone Certification

Pursuant to 47 C.F.R. § 54.202(a) Triangle Telephone Cooperative Assn., Inc. (Triangle) provides this certification that it is taking reasonable steps to provide upon reasonable request broadband speeds of at least 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to offerings in urban areas as determined in an annual survey as specified in Public Notice DA 16-362, and that requests for such service are met within a reasonable amount of time. Details for how Triangle is meeting its obligations for broadband goals and required obligations are specified within the FCC Form 481 annual filing.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME Triangle Telephone Cooperative Association, Inc.	
INSTRUCTIONS -Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2015	BORROWER DESIGNATION MT0516

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Carol R. Rindley

4/29/16
DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	6,577,055	5,341,000	25. Accounts Payable	2,978,307	1,844,611
2. Cash-RUS Construction Fund	0	0	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	610,768	597,666
a. Telecom, Accounts Receivable	1,031,312	1,246,797	28. Customer Deposits	55,957	60,338
b. Other Accounts Receivable			29. Current Mat. L/T Debt	3,926,000	4,319,000
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.	158,000	170,000
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable	1,789,985	2,096,592	33. Other Taxes Accrued	784,401	819,053
c. Notes Receivable	252,900	264,900	34. Other Current Liabilities	333,643	364,868
5. Interest and Dividends Receivable	62,262	65,155	35. Total Current Liabilities (25 thru 34)	8,847,076	8,175,536
6. Material-Regulated	3,818,336	3,640,174	LONG-TERM DEBT		
7. Material-Nonregulated	75,636	111,511	36. Funded Debt-RUS Notes	1,338,735	48,962
8. Prepayments	232,390	329,830	37. Funded Debt-RTB Notes	1,956,772	1,790,518
9. Other Current Assets			38. Funded Debt-FFB Notes	29,270,401	31,919,514
10. Total Current Assets (1 Thru 9)	13,839,876	13,095,959	39. Funded Debt-Other	3,405,311	2,432,353
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan	806,876	635,393
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development	34,628,206	32,599,172	42. Recquired Debt		
b. Nonrural Development	24,819,638	27,930,130	43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development	922,199	673,441	45. Other Long-Term Debt		
b. Nonrural Development	1,564,573	1,628,079	46. Total Long-Term Debt (36 thru 45)	36,778,095	36,826,740
13. Nonregulated Investments	117,553	16,869	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities	533,431	601,447
15. Deferred Charges	342,748	351,117	48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	62,394,917	63,198,808	50. Total Other Liabilities and Deferred Credits (47 thru 49)	533,431	601,447
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	164,268,638	186,835,549	51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-In-Capital		
20. Plant Under Construction	13,421,237	7,557,612	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill	0	0	54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	68,264,961	73,778,262	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	109,424,914	120,614,899	56. Patronage Capital Credits	66,345,440	70,094,881
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	73,155,665	81,211,062
	185,659,707	196,909,666	58. Total Equity (51 thru 57)	139,501,105	151,305,943
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	185,659,707	196,909,666

Total Equity = 76.84% % of Total Assets

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER DESIGNATION MT0516
INSTRUCTIONS- See RUS Bulletin 1744-2		PERIOD ENDING December, 2015
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	4,256,062	4,011,834
2. Network Access Services Revenues	23,678,601	26,050,780
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	108,338	136,474
5. Miscellaneous Revenues	503,315	529,244
6. Uncollectible Revenues	13,201	11,034
7. Net Operating Revenues (1 thru 6 less 6)	28,533,115	30,717,298
8. Plant Specific Operations Expense	4,629,678	4,978,802
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	3,187,011	3,263,726
10. Depreciation Expense	8,132,084	8,191,544
11. Amortization Expense		
12. Customer Operations Expense	1,405,551	1,749,074
13. Corporate Operations Expense	1,986,408	2,125,802
14. Total Operating Expenses (8 thru 13)	19,340,732	20,308,948
15. Operating Income or Margins (7 less 14)	9,192,383	10,408,350
16. Other Operating Income and Expenses	0	0
17. State and Local Taxes	(13,312)	822
18. Federal Income Taxes	(62,036)	3,829
19. Other Taxes	1,575,056	1,642,477
20. Total Operating Taxes (17+18+19)	1,499,708	1,647,128
21. Net Operating Income or Margins (15+18-20)	7,692,675	8,761,222
22. Interest on Funded Debt	1,588,585	1,506,471
23. Interest Expense - Capital Leases		
24. Other Interest Expense	1,482	1,935
25. Allowance for Funds Used During Construction	199,970	379,669
26. Total Fixed Charges (22+23+24-25)	1,390,097	1,128,737
27. Nonoperating Net Income	6,009,165	6,515,605
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	(346,093)	(335,335)
31. Total Net Income or Margins (21+27+28+29+30-26)	11,965,650	13,812,755
32. Total Taxes Based on Income	(75,348)	4,651
33. Retained Earnings or Margins Beginning-of-Year	66,484,612	73,155,665
34. Miscellaneous Credits Year-to-Date	20,768	20,700
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital	5,315,365	5,778,058
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	73,155,665	81,211,062
40. Patronage Capital Beginning-of-Year	63,051,191	66,345,440
41. Transfers to Patronage Capital	5,315,365	5,778,058
42. Patronage Capital Credits Retired	2,021,116	2,028,617
43. Patronage Capital End-of-Year (40+41-42)	66,345,440	70,094,881
44. Annual Debt Service Payments	5,768,444	5,556,568
45. Cash Ratio [(14+20-10-11) / 7]	0.4454	0.4481
46. Operating Accrual Ratio [(14+20+26) / 7]	0.7791	0.7515
47. TIER [(31+26) / 26]	9.6078	13.2374
48. DSCR [(31+26+10+11) / 44]	3.7251	4.1632

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		MT0516	
INSTRUCTIONS -- See help in the online application.		PERIOD ENDED	
		December, 2015	
PART I -- STATEMENT OF CASH FLOWS			
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		6,577,055	
CASH FLOWS FROM OPERATING ACTIVITIES			
2. Net Income		13,812,755	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3. Add: Depreciation			
4. Add: Amortization		8,191,544	
5. Other (Explain)		0	
Changes in Operating Assets and Liabilities			
6. Decrease/(Increase) in Accounts Receivable		(522,092)	
7. Decrease/(Increase) in Materials and Inventory		142,287	
8. Decrease/(Increase) in Prepayments and Deferred Charges		(105,809)	
9. Decrease/(Increase) in Other Current Assets		0	
10. Increase/(Decrease) in Accounts Payable		(1,133,696)	
11. Increase/(Decrease) in Advance Billings & Payments		(13,102)	
12. Increase/(Decrease) in Other Current Liabilities		65,877	
13. Net Cash Provided/(Used) by Operations		20,437,764	
CASH FLOWS FROM FINANCING ACTIVITIES			
14. Decrease/(Increase) in Notes Receivable		(12,000)	
15. Increase/(Decrease) in Notes Payable		0	
16. Increase/(Decrease) in Customer Deposits		4,381	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		453,645	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		68,016	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0	
20. Less: Payment of Dividends		0	
21. Less: Patronage Capital Credits Retired		(2,028,617)	
22. Other (Explain) Lines 5,32,33		(83,860)	
23. Net Cash Provided/(Used) by Financing Activities		(1,598,435)	
CASH FLOWS FROM INVESTING ACTIVITIES			
24. Net Capital Expenditures (Property, Plant & Equipment)		(16,703,286)	
25. Other Long-Term Investments		(795,522)	
26. Other Noncurrent Assets & Jurisdictional Differences		0	
27. Other (Explain) Plant retirement not accounted for		(2,576,576)	
28. Net Cash Provided/(Used) by Investing Activities		(20,075,384)	
29. Net Increase/(Decrease) in Cash		(1,236,055)	
30. Ending Cash		5,341,000	

Revision Date 2010